

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Case No. 08-12666 (MG)
 :
 :
PACE PRODUCT SOLUTIONS, INC., : (Chapter 11)
 :
Debtor. :
 :
-----X

**ORDER CONVERTING CHAPTER 11 CASE TO A CASE UNDER CHAPTER 7 AND
LIMITING ACCESS TO DEBTOR'S BUSINESS PREMISES**

Based upon the hearing held before this Court on July 24, 2008 and the application of the United States Trustee, and it appearing that appropriate notice has been given and cause existing for the relief requested, it is hereby

ORDERED, that this case commenced under Chapter 11 of the Bankruptcy Code be and hereby is converted to a case under Chapter 7 pursuant to 11 U.S.C. § 1112(b). It is further

ORDERED, that the Debtor shall file (i) a schedule of unpaid debts incurred after the commencement of the Chapter 11 case within 15 days of the date of this order, and (ii) a final report within 30 days of the date of this order, pursuant to FED. R. BANKR. PROC. 1019(5). And it is further

\

\

\

\

\

ORDERED, that debtor's officers, directors, and employees, including Boaz Bagbag, are hereby restrained and enjoined from entering the premises where debtor's business is located, including but not limited to office and warehouse space, without express written permission from the Chapter 7 Trustee or further order of the Court.

IT IS SO ORDERED.

Dated: New York, New York
July 24, 2008

/s/ Martin Glenn
HONORABLE MARTIN GLENN